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ABSTRACT

This is the thirteenth in a set of 36 teacher guides to the Entrepreneurial Training Modules and accompanies CE 031 054. Its purpose is to give students some idea of what it is like to own and operate an inn. Following an overview are general notes on use of the module. Suggested steps for module use contain suggestions on introducing the module, a brief discussion of the nine units, responses to learning activities, suggestions for summarizing the module, and responses to the quiz. The units are Planning an Inn; Choosing a Location; Getting Money to Start; Being in Charge; Keeping Track of Supplies and Schedules; Setting Prices; Advertising and Selling; Keeping Financial Records; and Keeping Your Business Successful. Each unit contains a case study; responses to individual activities; responses to discussion questions; and a group activity. Suggested readings for the teacher and a list of goals and objectives complete the module. (CT)

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Entrepreneurship Training Components

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GETTING DOWN TO BUSINESS:

Innkeeping

Module 13

Teacher Guide

CE031055

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GETTING DOWN TO BUSINESS:

Innkeeping

Rachel L. Rassen

May 1981

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OVERVIEW

The purpose of these Getting Down to Business modules is to provide high school students in vocational classes with an introduction to the career option of small business ownership and to the management skills necessary for successful operation of a small business. Developed under contract to the Office of Vocational and Adult Education, U.S. Department of Education, the materials are designed to acquaint a variety of vocational students with entrepreneurship opportunities and to help reduce the high failure rate of small businesses.

As the students become familiar with the rewards and demands of small business ownership, they will be able to make more informed decisions regarding their own interest in this career possibility. It is hoped that, as a result of using these materials, some students will enter small business ownership more prepared for its challenges. Others will decide that entrepreneurship is not well suited to their abilities and interests, and they will pursue other career paths. Both decisions are valid. The materials will encourage students to choose what is best for them.

These Getting Down to Business modules are designed to be inserted into ongoing high school vocational programs in the seven vocational disciplines--Agriculture, Distributive Education, Occupational Home Economics, Business and Office, Trades and Industry, Technical, and Health. They will serve as a brief supplement to the technical instruction of vocational courses, which prepare students well for being competent employees but which generally do not equip them with skills related to small business ownership. The modules are self-contained and require a minimum of outside training and preparation on the part of instructors. Needed outside resources include only those types of materials available to all students, such as telephone directories, newspapers, and city maps. No special texts or reference materials are required. For further optional reading by instructors, additional references are listed at the end of the Teacher Guide. An annotated Resource Guide describing especially valuable entrepreneurship-related materials is also available.

The purpose of this module is to give students some idea of what it is like to own and operate an inn. Students will have an opportunity to learn about the kinds of activities and decisions an innkeeper is involved in every day. While the module is not a complete "how-to" manual, the individual lessons will provide your class with the chance to practice many of these activities and decisions.

Today, owners of small businesses face many problems--some minor, some not so easily taken care of. These problems are reflections of the changes our society is going through. While this module cannot address itself to all of them, the discussion questions at the end of each unit are designed to give students an opportunity to explore possible solutions.

You may want to present this module after completing Module 1, Getting Down to Business: What's It all About? Module 1 is a 16-hour program

covering a more in-depth approach to owning any small business. The terms introduced in Module 1 are used in this module with a restatement of their definitions. Also, the forms used are the same, with some minor changes to fit the innkeeping business specifically. Module 1 provides an introduction to owning a small business in addition to some activities that, due to their general nature, are not covered in this module.

Content Organization

Each unit of the module contains the following:

1. Divider Page--a list of what the student should be able to do at the end of that unit.

2. Case Study--an account of a business owner in the field.

3. Text--three to four pages outlining business management principles introduced in the case study but focused more on the student.

4. Learning Activities--three separate sections, including:

   a. Individual Activities--finding information given in the text or applying information in the text to new situations.

   b. Discussion Questions--considering broad issues introduced in the text; several different points of view may be justifiable.

   c. Group Activity--taking part in a more creative and action-oriented activity; some activities may focus on values clarification.

General Notes on Use of the Module

Instructional Time:	Each unit = 1 class period; total class periods	= 9
	Introduction, quiz, summary	= 1
	Total instructional time	= 10 class periods

The case study and text are central to the program's content and are based on the instructional objectives appearing in the last section of this Guide. Learning activities are also linked to these objectives. You will probably not have time, however, to introduce all the learning activities in each unit. Instead, you will want to select those that appear most related to course objectives, are most interesting to and appropriate for your students, and are best suited to your particular classroom setting. Certain learning activities may require extra classroom time and may be used as supplementary activities if desired.

Before presenting the module to the class, you should review both the Student and Teacher Guides and formulate your own personal instructional approach. Depending on the nature of your classroom setting and the students' abilities, you may want to present the case study and text by

instructional means that do not rely on students' reading--for example, through a lecture/question-answer format. Case studies and certain learning activities may be presented as skits or role-playing situations.

No particular section of the module is designated as homework, but you may wish to assign certain portions of the module to be completed out of class. You may want students to read the case study and text in preparation for discussion in the next class period, or you may want them to review the material at home after the class discussion. You may also prefer that students read the material in class. Similarly, individual activities may be completed in class or for homework. Discussion questions and group activities are specially intended for classroom use, although some outside preparation by students may also be needed (for example, in the case of visiting a small business and interviewing the owner).

Methods that enhance student interest in the material and that emphasize student participation should be used as much as possible. Do not seek to cover material exhaustively, but view the course as a brief introduction to entrepreneurship skills. Assume that students will obtain more job training and business experience before launching an entrepreneurial career.

The quiz may be used as a formal evaluation of student learning or as a self-assessment tool for students. Answers to learning activities and the quiz are provided in a later section of this guide.

SUGGESTED STEPS FOR MODULE USE

Introduction (10-15 minutes)

I. In introducing this module you will probably want to find out what students already know about the innkeeping business.

- Ask if they know of any small inns and what they're like.
- Ask what advantages they see in running an inn.
- Ask what disadvantages they see.

II. Discuss small businesses briefly. Over 90% of all businesses in the United States are small businesses. In this module we will be dealing with very small businesses, meaning a self-employed owner working alone or with one to four employees. Often small business are owned and run by members of a family.

III. Discuss the purposes of the module:

- To increase students' awareness of small business ownership as a career option.
- To acquaint students with the skills and personal qualities innkeepers need to succeed.
- To acquaint students with the kind of work small business owners do in addition to using their vocational skills.
- To expose students to the advantages and disadvantages of small business ownership.

IV. Emphasize that even if students think they lack management aptitudes, some abilities can be developed. If students "turn on" to the idea of small business ownership, they can work at acquiring abilities they don't have.

Also, students who work through this module will have gained valuable insights into how and why business decisions are made. Even if they later choose careers as employees, they will be better equipped to help the business succeed because of their understanding.

Unit 1 - Planning an Inn (1 class period)

I. Case Study: Jerry and Lynn Campbell decide to open an inn as a way of buying and keeping an old Victorian house in the neighborhood. Their inn is actually their home, where their "customers" are really their guests.

Text: What Is an Inn?
Is There Room for You?
Are You the Type?
Experience
Personal Qualities
Service Is the Name of the Game
Getting People to Come Back to You
Legal Requirements

II. Responses to Individual Activities

1. If you are thinking of opening an inn, you really have to like to work with people. You have to be reliable and organized, but at the same time flexible enough to meet the needs of your guests and the demands of the business. Service is definitely the name of the game in this business.

2. You can get experience by working in a hotel or a motel. A course in hotel administration would also be helpful.

3. Student responses to this question will vary, depending on their personal experiences.

4. Student responses to this question will vary, depending on the area and location of your school, the area and location where they would consider opening an inn, and the proposed size of the inn. Students should discuss how these variables affect their business decisions and the characteristics of the inn they may wish to open.

III. Responses to Discussion Questions

Student responses should include the notion of personalized service. Any special promotional ideas to attract guests would be desirable. This is a "brainstorming" question--many responses are acceptable.

IV. Group Activity

This activity is designed to acquaint students with a real-life innkeeper or hotel owner. The principles in the text regarding the characteristics and responsibilities of innkeepers and hotel owners should be reinforced by the students' contact with such a person.

Students should develop and list their questions prior to the visit. If you wish, give this list to the speaker ahead of time so that he or she may prepare responses. Encourage students to ask questions and establish a dialog with the speaker. This activity may also be used at the end of any unit or at the end of the module as a summarizing activity. Extra classroom time may be required.

Unit 2 - Choosing a Location (1 class period)

I. Case Study: Jerry and Lynn talk about the importance of location; they feel it is perhaps the most important thing in the success of their inn. Guests like the convenient location of the Bed and Breakfast inn, but parking is a big problem.

Text: You Come First
Next Comes the City
The Right Spot within That City
Overbuilding

II. Responses to Individual Activities

1. Student responses may include:

Chamber of Commerce
the business community as well as "old-timers" in the hotel and innkeeping business
local, state, and national hotel and tourist organizations
trade magazines
real estate agents
architects
interior decorators

2. Student reponses may include:

convenience
parking
public transportation
access to restaurants, theatres, stores and clubs
street conditions

3. Responses to these items should reflect the principles discussed in the text.

4. "Overbuilding" means an overabundance of hotels and tourist facilities in the area. Overbuilding will mean low occupancy rates and lots of competition. Overbuilding may not be a problem if your inn is indeed unique and can offer guests special services.

III. Responses to Discussion Questions

1. Student responses will vary depending on the location of the school and size of the city or town. Responses should be based on the number of existing inns, hotels, and motels in the designated area and the number of potential customers. The services offered should be those for which the greatest need and appreciation, and the least competition, exist. You should check out the information sources used for accuracy.

2. Student responses will vary. Have students justify their choices by providing the factual and intuitive bases for their decisions.

3. Student responses will vary, depending on their individual interests and experiences.

IV. Group Activity

There are no "correct" answers to this activity. The purpose of this activity is to encourage students to think critically about their priorities and the choices they will have to make in opening an inn. All these factors are important in deciding when and where to open an inn. However, individual priorities will determine the type(s) of information that will be most important in making a decision to open an inn.

Unit 3 - Getting Money to Start (1 class period)

I. Case Study: Jerry and Lynn calculate their starting expenses and the money they have on hand to invest in an inn. They apply to the bank for loans to buy the house, make needed improvements, and pay for initial operating expenses. They write a business description to present to the bank's loan officer.

Text: Where Will You Open Your Doors?
Financial Arrangements
The Business Description
Starting Expenses

II. Responses to Individual Activities

1. Tourists who just want a "place to sleep" might choose a downtown hotel. Also, business people might choose the hotel because it is convenient to the business district or because it is the headquarters for the convention they are attending. People choosing to stay at an inn include tourists, business people, and retired people who want a "home away from home" while they are traveling, a place with a relaxed atmosphere and a personal touch.

2.a. $200,000
$ 50,000
$150,000
b. $120,000

III. Responses to Discussion Questions

1. The bank officer would be most interested in your management plan and strategy for success.

2. The business description will help you think critically about the realities of the business world, the limitations of your financial situation, and your ability to open and operate a successful business.

IV. Group Activity

This activity is intended to encourage students to start thinking about the details of opening an inn. You may wish to provide a hypotetical context for this activity. For example, you may wish to specify the value of the house, the competition in the area, a description of the business and tourist trade, etc. Encourage students to think about their inn in relation to these factors and to be imaginative in their plans, but also to take the "realities" of the situation into consideration.

Unit 4 - Being in Charge (1 class period)

I. Case Study: Jerry and Lynn find that they can't run the inn themselves--there is too much to do, and they need help. Luckily, two other people show up to help. The responsibilities of each person are decided, but Jerry has the overall responsibility for organizing and "running the show."

Text: Hiring People to Work for You
Where to Find Your Employees
Hiring the Right People
Training New People
Communication Is the Key

II. Responses to Individual Activities

1.a. F
b. F
c. F
d. T

2. Students may indicate that qualities such as reliability, honesty, ability to work with people, and ability to learn are

important qualities for an employee. Accept any reasonable response.

3. Responses may include: the local high school, local newspapers, the Chamber of Commerce, or friends and other business owners.

4. Student responses to this question will vary. Some qualities that may show up in a personal interview land not on an application include: sloppy appearance; inability to communicate and interact with people; rudeness; and inability to listen.

III. Responses to Discussion Questions

1. Discussion should focus on the ability to communicate as well as the ability to give and take feedback that may be positive as well as negative.

2. The basic discussion should focus on responsiblity. If you work alone, you are responsible to yourself for the operation of all parts of the business; if you are an employer, you are not directly responsible for doing all the work, but you are responsible for delegating it to others. You are responsible for organizing, managing, and supervising your employees as well as providing necessary training.

3. You should seriously consider whether to hire this person. You want to hire reliable employees. If your information source indicates that he is not reliable, find out why. Try to establish the truth of this information.

IV. Group Activity

The purpose of this activity is to allow students to consider their personnel management skills and their ideas about fair treatment on the job. This simple situation can be the basis for a role-playing activity. The expected outcome of the activity is that students will have a clearer understanding of what is involved in "being in charge" skills, and of what it feels like to be the person in charge in a possibly unpleasant but true-to-life situation.

The activity can be done in small or large groups. Have students share their lists of "Dos" and "Don'ts." Make sure everyone has an opportunity to contribute. Students may provide personal experiences that will make the activity more vivid and meaningful. If students role-play the situation, ask each how it felt to be the "employer" or "employee." Solicit feedback from others and suggestions for alternative approaches.

Unit 5 - Keeping Track of Supplies and Schedules (1 class period)

I. Case Study: The day at the Bed and Breakfast Inn starts at 5:00 a.m.; all staff members have their responsibilities and daily jobs. An important part of the organization of the business is keeping track of supplies and schedules.

Text: Your Supplies
The Source of All Things
Keeping a Tight Rein on Your Supply Closet
Making Reservations for Your Guests
Who's Going to Do It, and When?

II. Responses to Individual Activities

1. Student responses will vary, depending on their individual interests. A complete list should include basic supplies such as bath soap, towels, sheets, cleaning and maintenance supplies, food and related supplies, and flowers.

2. Following are some Yellow Pages listings for supplies needed to run an inn: bakers, cleaning compounds, florists, grocers, janitorial supplies, office supplies, and restaurant supplies.

3. It is important to complete guest reservation forms in order to keep track of who's coming into and going out of your inn, when, and at what room rate.

4. A "control system" for supplies will help you keep track of what's in stock and what needs to be bought or ordered.

III. Responses to Discussion Questions

1. You should consider what you need (quality and type), how much you need, how much you want to pay, from whom you'll buy, and when.

2. This system will tell you what supplies have been used up. This system will let you "keep on top" of when you need to order more, but it's not foolproof. For example, staff may forget to check off something, or theft may occur. Doing an actual count of supplies periodically is also needed. A third system is the "eyeball" system, which is not as efficient or accurate but requires much less time and effort.

3. The advantages of completing work schedules is that you know who is responsible for what jobs and when jobs should be completed. However, many things can happen to throw schedules off--an illness, an accident, unexpected guests, an unanticipated delay in the delivery of some essential item, etc.

IV. Group Activity

The purpose of this activity is to give students an idea of how busy an owner of an inn can be doing various tasks and to learn to prioritize their time and tasks and to schedule appropriately.

Try a brainstorming approach in completing this activity. Encourage students to prioritize activities as well as to be realistic in the anticipated time they think it would take to complete each task. Task 3 is most essential, then Task 1. Tasks 2, 4, and 5 can be done another day.

Unit 6 - Setting Prices (1 class period)

I. Case Study: Setting prices for a room involves understanding and comparing competitors' prices and services. Jerry and Lynn consider the prices at the other hotels and motels in the area and come up with a price list for the different rooms in the inn.

Text: What Is Your Competition Charging?
What Are People Willing to Pay?
What's Your Break-Even Point?
How Much Profit Do You Want?
Things That Make Prices Go Up
Things That Make Prices Go Down

II. Responses to Individual Activities

1. The term "break-even point" refers to the point at which the inn's income exactly meets all costs but does not leave additional money for profit.

2. Fixed expenses and variable expenses. See definitions in the text.

3. Refer to the text for a list of reasons to lower room rates.

4. The text lists a number of reasons why prices may be increased. In addition, students may suggest other reasons such as an increased demand for rooms during certain seasons. Accept any reasonable response.

III. Responses to Discussion Questions

1. "Necessary" expenses include salaries, utilities, laundry, housecleaning and office supplies, advertising, insurance, and accountant fees. "Unnecessary" expenses include costs resulting from theft, breakage, bad debts, and natural calamities.

2. Jerry and Lynn were fairly thorough in their pricing considerations. However, they did not take into consideration such items as inflation, increased electricity and gas bills, and damage costs. In determining the room rates for their inns, the responses of students will vary according to their individual interests and tastes.

IV. Group Activity

The purpose of this activity is to expose students to different pricing considerations and methods. Have students discuss their findings and, if possible, evaluate the range of prices they uncover relative to the services provided--i.e., do customers get what they pay for?

Unit 7 - Advertising and Selling (1 class period)

I. Case Study: Jerry and Lynn advertise the Bed and Breakfast Inn in the Yellow Pages, but most of their advertising is by word of mouth. They decide not to advertise in the local newspapers and guidebooks because they want to be selective about their guests. Lately they've been getting a lot of free publicity from a series of articles about local inns.

Text: Finding Out What Needs to be Done
What Kind, Where?
Qualities of a Good Ad

II. Responses to Individual Activities

1. The unit lists the qualities that contribute to an effective ad and a good advertising campaign.

2. Student responses will vary, depending on their personal interests and experiences. Encourage students to be creative in their designs. Any ad sketches or designs that demonstrate the qualities of a good ad are acceptable.

3. D
A
B

III. Responses to Discussion Questions

1. Encourage students to generate innovative ideas on how to advertise an inn. This is a brainstorming activity. These are some ideas: free gifts to guests that include the name of your inn (tourist booklets, paper robes, etc.); a two-for-the-price-of-one offer to guests celebrating a 25th wedding anniversary; or an open house and lecture on your inn for the community.

2. Students should refer to the text in discussing the "usual" advertising techniques that are used to tell people about inns. In addition, encourage students to brainstorm promotional activities that can attract the attention of the public.

3. Jerry and Lynn are not running a hotel. Instead, they are sharing their house with guests--people who are regarded as friends rather than as customers. They want to be selective in accepting guests; advertising is primarily through word of mouth, thereby cutting down on the number of people who would even hear about the inn. As it is, it sounds as if they have enough business.

IV. Group Activity

The purpose of this activity is to expose students to different types of ads and to help them see the characteristics and the advantages and disadvantages of each.

You may wish to assist your students by selecting several appropriate ads for this activity in addition to the ones identified by the students. Locate four or five ads for inns, hotels, and motels from your local Yellow Pages. Select places that differ on the following variables: size; services; appeal (to vacationers vs. business guests); small business vs. franchise; etc.

Give students time to study the ads. Solicit responses such as the following.

1. Large ads cost more than small ones.

2. Some hotels provide pools and room service. Analysis of the ads' content indicates what types of services are offered.

3. Some ads appeal more to adult vacationers (or families). Others appeal to business people.

If time permits, pose any other questions or advertising concerns that seem of interest to the group. You could perhaps have them make a composite "perfect" ad.

Unit 8 - Keeping Financial Records (1 class period)

I. Case Study: Financial records are the basic records of any business. Jerry and Lynn discover how important it is to set up a good bookkeeping system--for the guests' benefit as well as their own. They complete a daily cash sheet; the daily sheets are added up each month.

Text: Collecting the Money
To Give or Not to Give Credit: Credit Cards
Easy Come, Easy Go: The Daily Cash Sheet

II. Responses to Individual Activities

1. Students should have filled in the following:

Cash Sales	$411.99	Supplies	$125.91
		Telephone	80.43
		Food	300.00
		Laundry	150.00
		Flower Shop	27.90
TOTAL CASH RECEIPTS	$411.99	TOTAL CASH PAYMENTS	$684.24

2. You should itemize all expenses on a guest's receipt because that way you'll have detailed descriptions of the service you gave, how much money the guest owes, and how much he or she has paid. Itemizing all expenses is an essential recordkeeping task.

3.

GUEST RECEIPT

Guests's Name

Arrive	Depart	No. Days	Rate
June 6	June 9	3	$95/day

Item	Charge	Tax	Total
Room 1, $95 x 3 days	$285.00	17.10	$302.10
Parking, 3 nights	13.50	--	13.50
Laundry	6.75	--	6.75
Telephone calls	1.00	--	1.00
		GRAND TOTAL	$322.35

III. Responses to Discussion Questions

1. Students should be encouraged to think critically about the disadvantages of giving credit. Credit may seem like a convenient and easy way of doing business, but it carries risks for the business owner if the customer does not pay.

2. Financial records are essential to the business if you want to keep track of where your sales came from, where your expenses went, and how successful (or unsuccessful) your business is.

While a business owner always has the option of hiring an accountant who will keep the records, there is still much preparatory recordkeeping for the owner to do.

3. The basic advantage of keeping a cash sheet is that you can record all expenses and receipts as they occur. Keeping a daily cash sheet will make your recordkeeping requirements easier--particularly around April 15, when you have to pay taxes.

IV. Group Activity

This activity is designed to give students practice in considering the types of decisions they would need to make as an innkeeper and how they would handle times of prosperity and times when their business is "in the red."

Possible changes to make if the business is doing well: Take a larger salary, take a vacation, buy more furniture, renovate the inn or add more rooms, give raises to valued employees.

Possible changes to make if the business is doing poorly: Lay off workers, take a smaller salary, work longer hours, get a bank loan.

Unit 9 - Keeping Your Business Successful (1 class period)

I. Case Study: The Bed and Breakfast Inn has been operating for two years. Jerry and Lynn take a look at the way the business is going and plan changes to make it more profitable.

Text: Profit/Loss Statement
How to Improve Your Profits
Expanding Your Services

II. Responses to Individual Activities

1. Net profit = gross profit - expenses; or
revenues - (cost of goods sold + expenses)

$$\text{Profit ratio} = \frac{\text{Net Profit}}{\text{Revenues}}$$

$$\text{Expense ratio} = \frac{\text{Expenses}}{\text{Revenues}}$$

2a.	$	%
Revenues	$200,000	100%
Cost of Goods Sold	20,000	
Gross Profit	$180,000	
Expenses	148,000	74%
Net Profit	$ 32,000	16%

b. Year 4
c. Year 4
d. Year 4
e. Based on revenues, net profit, and profit ratio, Year 4 was the best year.

3. The primary advantage is that you may be able to take in more money (revenues). However, you may lose customers if you raise prices.

4. If you lower your prices, you may increase the number of guests who come to your inn, thereby increasing your occupancy rate. However, if your expenses go up or remain the same, your profit per customer goes down.

III. Responses to Discussion Questions

1. Like Jerry and Lynn, many innkeepers think of their inn as their home and of their customers as guests. They may want to be selective about who comes to the inn and may be concerned that "going big" will negatively affect the quality of the service they can provide. Encourage students to consider the "personal" aspects of this business--i.e., personal satisfaction as well as financial success.

2. Students can refer to the text for a list of reasons why sales and profit in the innkeeping business may decline. Encourage students to brainstorm additional reasons not mentioned in the text.

IV. Group Activity

The purpose of this activity is to summarize the content of the module and to help students think realistically about the innkeeping business and whether they would consider investing in this business. Use this exercise as a final wrap-up activity to help students apply what they have learned in the module.

Summary (15-30 minutes)

If desired, the Quiz may be given prior to summarizing the module and doing wrap-up activities.

The Summary section of the Student Guide covers the main points of the module. You may wish to discuss this briefly in class to remind students of major module topics.

Remind students that their participation in Module 1 and this module was intended as an awareness activity so they could consider entrepreneurship as a career option. Their introduction to the skills required for successful small business management has been brief. They should not feel that they are now prepared to go out, obtain a loan, and begin their own

business. More training and experience are necessary. You can suggest at least these ways of obtaining that experience: one way is to work in the business area in which they would eventually want to have their own venture; another is to go to school (community colleges are starting to offer AA degrees in entrepreneurship).

This is a good time to get feedback from the students as to how they would rate their experience with the module. Could they identify with the characters portrayed in the case studies? How do they feel about the learning activities?

You may want to use a wrap-up activity. If you have already given the quiz, you can go over the correct answers to reinforce learning. Or you could ask class members to talk about what they think about owning a small business and whether they will follow this option any further.

Quiz (30 minutes)

The quiz may be used as an assessment instrument or as an optional study tool for students. If you wish to use the quiz for study purposes, duplicate and distribute the answer key to students. In this case, student achievement may be assessed by evaluating the quality of students' participation in module activities.

Quiz Answer Key

1. b
2. d
3. c
4. Responses may include: your personal preferences (of geography and climate); location of your relatives; amount and nature of the competition; potential customers; location near business centers or tourist attractions; suitable building with appropriate zoning; and parking.
5. c
6. c
7. c
8. a
9. Linen and other supplier for the guests; cleaning supplies; office supplies; food
10. "Eyeball;" checklist; counting

11. Prices of the competition; operating expenses; profit desired; occupancy rate; special features that make your inn unique (so you could charge more)

12. b

13. Yellow Pages; travel guides; newspapers; direct mailings; brochures; word of mouth; goodwill (free gifts, discounts, lectures, charitable donations, etc.)

14. c

15. d

16. a

17. a. $22,500 b. 15% c. 75%

18. a

19. Increase number of customers (sales); raise prices or lower them; reduce expenses; expand your services

SUGGESTED READINGS

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Nelson, R. E., Leach, J. A., & Scanlan, T. J. Owning and operating a small business: Strategies for teaching small business ownership and management. Urbana, IL: University of Illinois, Department of Vocational/Technical Education, Division of Business Education, 1976.

Rowe, K. L., & Hutt, R. W. Preparing for entrepreneurship. Tempe, AZ: Arizona State University, College of Business Administration, 1979.

GOALS AND OBJECTIVES

Goal 1: To help you plan your inn.

Objective 1: Describe the services, guests, and competition of an inn.

Objective 2: List three personal qualities an innkeeper or owner might have.

Objective 3: List three things an innkeeper can do to make an inn special and make it "stand out from the crowd."

Objective 4: List two of the legal requirements you might have to consider before opening.

Goal 2: To help you choose a good location for your inn.

Objective 1: List three things to think about in deciding where to locate your inn.

Objective 2: Pick the best location for an inn.

Objective 3: Decide whether your city or town would be a good location for an inn.

Goal 3: To help you plan how to borrow money to open and operate your inn.

Objective 1: Write a business description for your business.

Objective 2: Fill out a form showing how much money you will need.

Goal 4: To help you choose the people who work for you.

Objective 1: List the information needed on a job description.

Objective 2: List the qualities of a good boss.

Goal 5: To help you plan how to buy supplies and organize the work of your inn.

Objective 1: List three kinds of supplies you will need in your inn and five questions to ask yourself in ordering them.

Objective 2: Describe a method you can use to keep track of guest reservations and one you can use to keep track of employee work schedules.

Goal 6: To help you set prices for rooms in your inn.

Objective 1: List three things to consider in setting room prices for guests.

Objective 2: Set prices for your inn after being given certain "facts."

Goal 7: To help you learn ways to advertise your inn and bring customers in.

Objective 1: List some of the ways you can effectively advertise your inn.

Objective 2: Design a printed ad for your inn.

Goal 8: To help you learn how to keep financial records for your inn.

Objective 1: Fill out a room receipt or a bill for a guest.

Objective 2: Fill out a daily cash sheet that records money coming in and going out of your business.

Goal 9: To help you learn how to keep your inn "in the black."

Objective 1: Figure out the net profit, profit ratio, and expense ratio for an inn.

Objective 2: Describe at least one way to increase your profits.

Objective 3: Suggest a way to change your business to increase sales and attract more guests.

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